

# Ventura County Economic Forecast

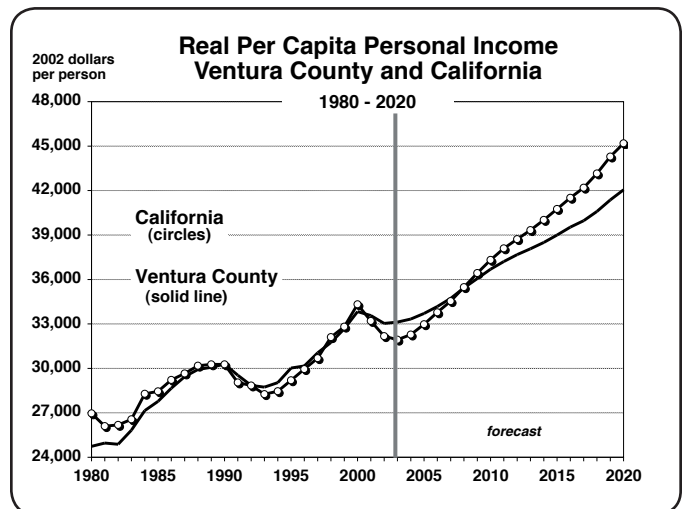
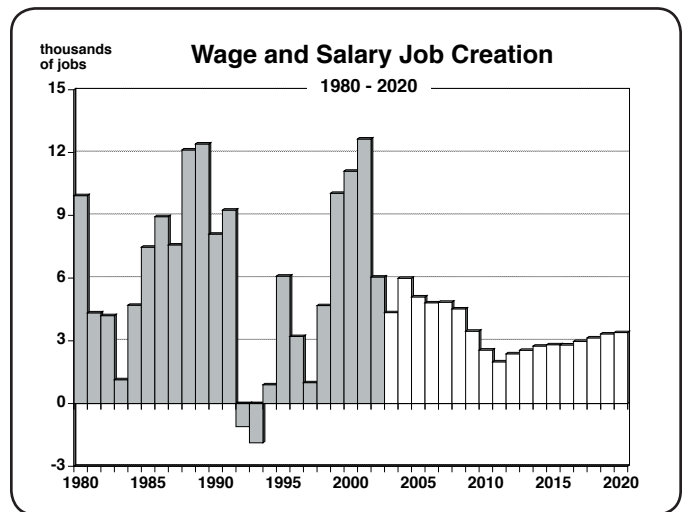
The potential for business growth in Ventura County remains upbeat, despite a dubious year for economic growth in California in 2002. Employment growth squeaked out a 0.3 percent gain in 2002. Income rose 4 percent. Home sales set all time records. Price appreciation for both existing and new homes was absurdly high, averaging 20 percent in many areas of the county. Commercial office market activity was very active, and industrial vacancy remained tight, due to steady demand and a lack of new product.

Residential construction fell again in 2002, to just 2,500 new units. This level of production is clearly inadequate for a population of nearly 800,000. It is no surprise that new home prices surged 22 percent in 2002 to nearly \$600,000 by year's end. Sales of new homes declined 6 percent in 2002, due entirely to the lack of new housing production. Sales of existing homes reached new record levels, but inventory of existing for-sale homes is also tight.

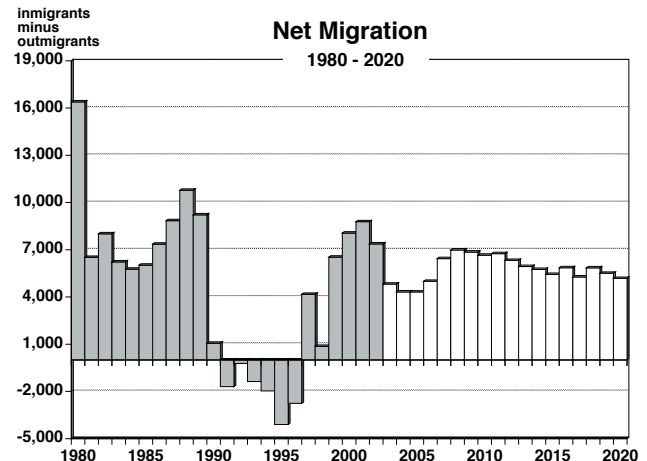
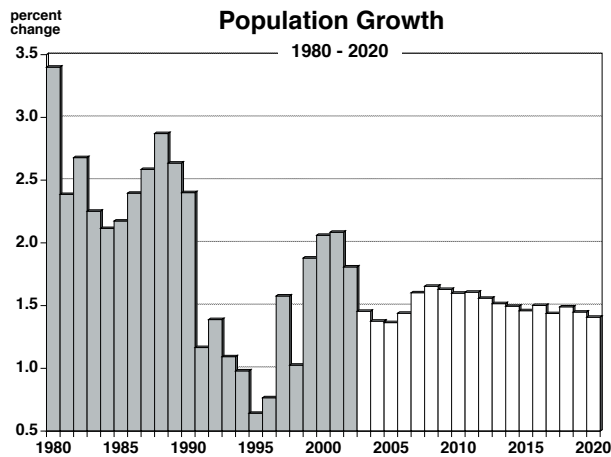
The lack of new residential construction has aggravated an existing scarcity of affordable housing throughout coastal California. Local labor markets will be impacted in the near term future. The forecast for employment growth is moderated by the lack of housing, together with the relative un-affordability of housing. Personal income growth should remain strong, as both retirement age and affluent populations relocate in the county over the next 10 years.

## Forecast Highlights

- Job growth in the Ventura County non-farm sector grew a scant 0.3 percent in 2002. That rate of growth will rise to 1.2 percent in 2003, and 1.6 percent in 2004. Job growth average less than 2.0 percent per year between 2003 and 2008.
- Population growth is not expected to abate much, even though modest levels of net migration are forecast over the next several years. Although home costs are stifling migration based population growth, the principal contributor to local population is the natural rate of growth.
- Income growth averages nearly 3 percent per year between 2003 and 2008. While current incomes are relatively high in Ventura County relative to the state-wide average, this edge may diminish over time, due to greater growth potential elsewhere in California.



- Last year, about 2,540 new homes were permitted in Ventura County. There are enough approved projects to produce more new housing units this year than last. Between 2,500 and 3,000 will be approved. The forecast predicts that residential building will average 2,600 units per year between 2003 and 2007, and about 3,150 units per 2008 and 2012. Residential building does not keep up with population growth; consequently more crowded housing conditions are likely to occur. The majority of new housing activity will occur in Moorpark, Simi Valley, Thousand Oaks, and Oxnard.

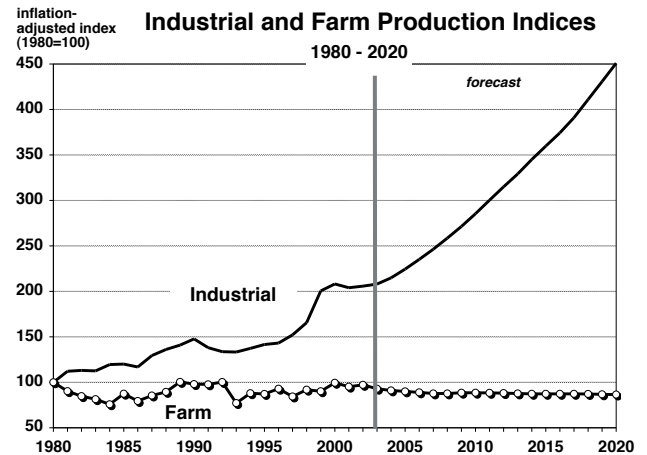
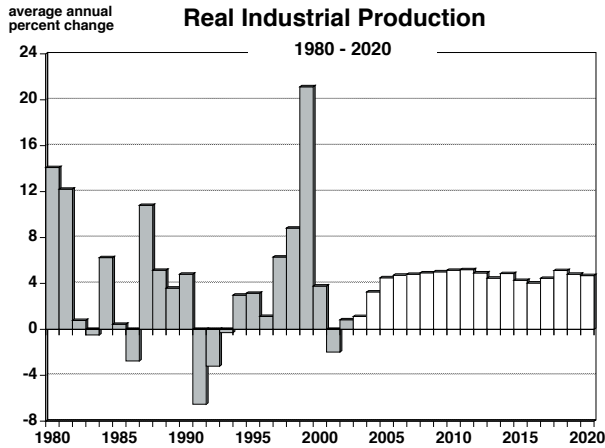


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### 1995-2002 History, 2003-2020 Forecast

	July Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	705,100	-4,093	584.6	228	2,166	\$4.4	\$18.0	\$30,025	\$842	\$4.7
1996	710,500	-2,755	593.5	230	2,353	\$4.6	\$18.5	\$30,165	\$912	\$4.7
1997	721,700	4,171	570.2	232	2,316	\$4.9	\$19.7	\$31,047	\$843	\$5.0
1998	729,100	863	607.7	234	3,182	\$5.2	\$20.6	\$31,749	\$930	\$5.5
1999	742,800	6,528	624.6	236	4,442	\$5.9	\$22.1	\$32,675	\$933	\$6.6
2000	758,100	8,059	654.0	243	3,971	\$6.5	\$24.1	\$33,830	\$1,065	\$6.9
2001	773,900	8,779	682.1	247	3,411	\$6.8	\$25.3	\$33,565	\$1,053	\$6.7
2002	787,892	7,372	701.3	251	2,545	\$7.2	\$26.0	\$33,033	\$1,105	\$6.8
2003	799,351	4,819	709.6	253	2,301	\$7.4	\$27.1	\$33,122	\$1,081	\$6.9
2004	810,351	4,322	711.3	256	2,434	\$7.7	\$28.3	\$33,327	\$1,085	\$7.1
2005	821,406	4,317	714.2	258	2,481	\$8.0	\$29.7	\$33,709	\$1,099	\$7.4
2006	833,227	4,996	719.0	260	2,646	\$8.4	\$31.3	\$34,176	\$1,112	\$7.7
2007	846,577	6,438	725.6	263	2,810	\$8.8	\$33.1	\$34,720	\$1,121	\$8.1
2008	860,579	6,982	727.1	266	3,122	\$9.2	\$35.1	\$35,432	\$1,147	\$8.5
2009	874,599	6,855	737.4	268	3,141	\$9.6	\$37.2	\$36,061	\$1,185	\$8.9
2010	888,581	6,655	744.7	271	3,172	\$10.1	\$39.6	\$36,690	\$1,213	\$9.4
2011	902,859	6,755	749.0	274	3,118	\$10.6	\$42.0	\$37,211	\$1,242	\$9.9
2012	916,932	6,325	754.6	277	3,221	\$11.1	\$44.4	\$37,675	\$1,270	\$10.4
2013	930,826	5,933	765.9	280	3,198	\$11.5	\$47.0	\$38,076	\$1,297	\$10.8
2014	944,740	5,747	769.4	284	3,132	\$11.9	\$49.6	\$38,497	\$1,322	\$11.4
2015	958,531	5,434	781.4	286	3,174	\$12.4	\$52.4	\$39,002	\$1,354	\$11.8
2016	972,917	5,859	790.5	290	3,215	\$13.0	\$55.5	\$39,529	\$1,389	\$12.3
2017	986,893	5,273	800.4	293	3,149	\$13.5	\$58.6	\$39,965	\$1,426	\$12.9
2018	1,001,598	5,850	810.3	296	3,207	\$14.1	\$62.0	\$40,594	\$1,459	\$13.5
2019	1,016,103	5,505	821.0	299	3,225	\$14.8	\$65.8	\$41,372	\$1,487	\$14.2
2020	1,030,397	5,181	832.0	302	3,233	\$15.4	\$69.6	\$42,054	\$1,515	\$14.9

- Median selling prices continue to rise over the forecast, but at rates which appear more sustainable (than the 18 percent recorded in 2002) over the next 2 or 3 years. The forecast has median home values rising 5 percent in 2003 and 3 percent in 2004.



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
254.3	17.0	11.0	2.0	29.6	10.3	58.1	12.0	71.4	43.0
255.3	17.5	10.5	1.7	30.7	9.7	59.1	11.7	71.0	43.4
260.0	17.3	11.1	1.5	32.8	9.7	59.2	12.6	72.4	43.3
270.0	17.7	12.7	1.3	36.0	10.6	59.7	13.6	75.5	43.1
281.2	17.5	14.5	1.0	38.6	11.5	62.1	14.9	77.1	43.9
293.8	19.6	15.1	0.9	40.9	11.3	64.4	15.5	81.6	44.6
302.5	22.3	15.5	0.9	41.1	11.0	66.4	18.1	81.8	45.3
303.2	22.3	14.9	0.9	41.0	11.0	66.7	18.8	81.8	45.7
306.7	22.3	14.4	1.0	40.2	11.2	68.1	19.8	83.4	46.1
311.3	22.4	14.4	1.0	40.4	11.3	69.4	19.9	85.8	46.7
316.0	22.4	14.5	1.1	41.2	11.5	70.5	19.8	87.6	47.4
321.5	22.4	14.8	1.1	42.3	11.6	71.6	19.8	89.8	48.1
327.6	22.4	15.1	1.2	43.7	11.8	72.7	19.6	92.3	48.9
335.3	22.4	15.5	1.2	45.5	12.1	73.7	19.5	95.7	49.7
342.4	22.5	15.8	1.2	47.0	12.3	74.8	19.3	98.9	50.6
349.7	22.5	16.1	1.2	48.7	12.6	75.8	19.2	102.1	51.6
356.6	22.5	16.4	1.2	50.4	12.9	76.8	19.1	104.8	52.5
364.4	22.5	16.6	1.2	52.0	13.3	77.7	19.1	108.5	53.5
371.8	22.5	16.7	1.2	53.6	13.6	78.6	19.1	112.1	54.4
378.9	22.6	16.9	1.3	55.2	13.9	79.4	19.1	115.4	55.3
386.4	22.6	17.0	1.3	56.8	14.2	80.2	19.2	119.1	56.1
394.1	22.6	17.2	1.3	58.4	14.6	81.0	19.2	122.9	57.0
401.4	22.6	17.3	1.2	60.0	14.9	81.7	19.3	126.4	57.9
409.1	22.6	17.5	1.2	62.0	15.2	82.5	19.4	129.9	58.9
416.9	22.7	17.5	1.2	64.0	15.5	83.2	19.4	133.4	59.9
424.8	22.7	17.6	1.2	65.9	15.8	84.0	19.5	137.1	60.9

